

CITY COUNCIL MINUTES
April 14, 2008
REGULAR SESSION

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, April 14, 2008 at 5:30 p.m. with Mayor Keith Nesbitt presiding and City Clerk Joseph G.R. Labrie recording the minutes.

CALL TO ORDER

ROLL CALL: All Council Members were present except Mr. Hanley, who arrived at 5:35 p.m.

By **MOTION** adjourn to a closed session under Government Code Section 54957.6: **MOTION: Holmes/Snyder/Approved by Voice**

CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representatives: David Mackowiak, Robert Richardson
Employee Group: Local 39

REPORT OUT OF CLOSED SESSION

No reportable action.

PLEDGE OF ALLEGIANCE

Council Members Present: Bob Snyder, Kevin Hanley, J. M. Holmes, Bridget Powers, Keith Nesbitt

Council Members Absent: None

Staff Members Present: City Manager Robert Richardson. City Attorney Michael Colantuono, Community Development Director Will Wong, Fire Chief Mark D'Ambrogi, Public Works Director Jack Warren, Engineering Division Manager Bernie Schroeder, Transit Analyst Megan Siren, Administrative Services Director Andy Heath, Administrative Manager Joanna Belanger

MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/ANNOUNCEMENTS

Proclamation: Child Abuse Prevention Month

The proclamation was presented to Executive Director DeAnne Thornton from the Child Abuse Prevention Council of Placer County. She encouraged all citizens to get involved in the prevention of child abuse and neglect. She provided the Council with related materials and explained how services are being given to various groups and individuals in the community.

Commendation: Placer High School Snowboarding Team

Placer High School's Snowboarding Team Coach Mark Faulkner accepted the commendation. Mr. Faulkner thanked the Council for its recognition of the Snowboarding Team.

Proclamation: West Nile Virus & Mosquito & Vector Control Awareness Week
April 21 through April 25, 2008

The proclamation was presented to Council Member Snyder as a member of the Board of Trustees of the Placer Mosquito & Vector Control District.

Proclamation: Youth Temperance Education Week April 20 – 26, 2008.

AGENDA APPROVAL

No changes were made.

CONSENT CALENDAR

1. **Auburn Airport East Area Hangar Waterline Project – Consultant Agreement**

By **RESOLUTION 08-39** authorize the Director of Public Works/City Engineer to execute a consultant contract with A. R. Associates for the engineering design phase of the East Area Hangar Waterline Extension Project in an amount not to exceed \$13,000.

2. **Police Officer Storage Upgrade**

By **RESOLUTION 08-40** approve the donation of funds from the Auburn Police Officer's Association and labor donation from Pember's Cabinet Company for construction and installation of officer duty equipment storage lockers.

3. **Airport Office and Hangar Lease – John Crawford, dba Sierra Sir Helicopters, LLC**

By **RESOLUTION 08-41** authorize the City Manager or his designee to execute

- A. a lease for commercial office space in the Auburn Municipal Airport Operations Building between the City of Auburn and John Crawford, dba Sierra Air Helicopters, LLC; and
- B. an aircraft storage hangar lease between the City of Auburn and John Crawford, dba Sierra Air Helicopters, LLC.

4. **Amendment of Airport Office Lease – Nicholas and Kelly Manos**

By **RESOLUTION 08-42** authorize the City Manager or his designee to execute a lease amendment for commercial office space at the Auburn Municipal Airport between the City of Auburn and Nicholas and Kelly Manos.

5. **Second Residential Units Ordinance Amendment- 2nd Reading**

Hold a second reading by title only.

By **ORDINANCE 08-04** amend the Second Residential Units Ordinance, amending Sections 159.325 *et seq.* of the Auburn Municipal Code by establishing standards and criteria for the development of second residential units.

6. **Appointment to Youth Advisory Commission**

Item removed by Council Member Holmes to follow consent agenda.

***** End of Consent Calendar *****

By **MOTION** approve the Consent Calendar excluding Item 6. **MOTION: Powers/Hanley/Approved 5:0**

6. **Appointment to Youth Advisory Commission**

Council Member Holmes stated that he recommended that Jess Stern be appointed to the Youth Advisory Commission. He explained that the Commission was part of the Healthy Auburn Waters Program on the previous Saturday.

By **RESOLUTION 08- 43** appoint Jess Stern to the Youth Advisory Commission. **MOTION: Powers/Hanley/Approved 5:0**

Mayor Nesbitt introduced Mr. Stern at the podium and congratulated him on his appointment.

7. **Public Comment**

Dan Sokol, Deerwood Place, Auburn, stated that he had previously asked what funds would be used for the \$20,000,000 Streetscape Project. He said the Mayor referred his question to staff and he has not been contacted.

City Manager Richardson advised that the existing Redevelopment Area and the Expanded Redevelopment Project Area are “based on bonding capacity.” He said the \$20,000,000 “will come over a series of years.” He said that the Redevelopment Agency has a “fairly healthy bonding capacity today” which allows the project to move forward with subsequent phases to follow. He said the subsequent phases will come as the bonding capacity grows, and “additional phases are placed as the Council’s next step of priority projects.”

Mr. Sokol said he wanted to remind the Council and staff that “bonding is borrowing.” He said that the money has to be repaid. He reiterated his initial question, “where is the money coming from, not where are we going to borrow it from.”

City Attorney Colantuono advised that “When a Redevelopment Agency issues bonds, within its authority to do so, property tax dollars that would otherwise flow to the County and school agencies, flow to the agency instead.” He said there is a “reallocation of the 1% property tax that people would otherwise pay.”

Mr. Sokol responded that we reduce the jurors’ money and the school children’s money in order to have a Streetscape. He said he hoped that members of the audience realize what happens.

Mr. Sokol asked what the process entails when an item is referred to staff. Mr. Richardson responded that he really was not aware of the Mr. Sokol’s request. Mr. Sokol agreed that it was the first time that Mr. Richardson had not gotten back to him regarding a request for information. Mr. Richardson advised that less than 1% of the taxes are given to the Redevelopment Agency.

Mr. Sokol advised the Council of energy-saving lights that could be utilized within the City. He said recently lights have been installed with the old

style lights. Mr. Nesbitt said he was not sure where the City is in the process of converting to LED lighting system, but would refer it back to the City Manager. Mr. Sokol said that it would be a good idea to find out who owns the street lights.

REPORTS

8. City Council Committee Reports

Council Member Snyder said he would report on Cap-to-Cap at the end of the meeting.

Council Member Hanley reported that the Placer County Flood Control District Board voted to lower the tax on each member city due to the various financial difficulties of the cities. He advised that the Sacramento Area Council of Governments is investigating all the various Federal and State regulations that effect farmers and ranchers and the rural lifestyle.

Council Member Holmes advised that the Placer County Air Pollution Control District Board approved some Clean Air Grants. He said the Board received about 59 applications and approved 28 of them. He advised that the City of Auburn only had one application, which was not approved because it did not meet the required conditions. He said he would be pleased to work with City staff next year to become more successful in gaining funding to improve the condition of the air.

COUNCIL BUSINESS

9. Wastewater Treatment Plan Upgrades and Regional Sewer Project Update

Public Works Director Jack Warren introduced the item. He introduced Dan Rich as the wastewater expert and Jim Durfee from the County. Mr. Warren stated that a great deal of time, effort and money have gone into the project over the past six months. He advised that he has simply summarized all of it in his report.

Mr. Warren said that there are three ways to act on the item in order to meet wastewater discharge requirements and notify the Regional Board by June 1st. He advised that the suggestions are (1) go back to what the City was doing last fall and resume onsite design or (2) discontinue all work on the local project and devote all resources to the regional solution or (3) resume the design, prepare a letter to the Regional Water Quality Control Board and continue participating with the Placer Nevada Wastewater Authority (PNWA) and share cost with Placer County where

applicable for a joint regional pipeline and compensate the City of Lincoln for over-sizing the pipeline.

Mr. Warren highlighted his written report. He reviewed the history of what transpired since his presentation in January 2007 wherein it was explained to the Council how to comply with the mandates. He reviewed the previous cost estimates.

Dan Rich stated that he is with NexGen Utility Management and a consultant to the City. He outlined the elements of the regional project “as currently defined.” He said a great deal of time has been spent to define the project in order to obtain the costs involved. He described the cost estimation with probable pipeline routes and expectations about extent of facilities needed at each plant. He explained how the costs were computed based on available information. He said the estimates do not include the buy-in to the City of Lincoln Treatment Plant or the City’s construction share of facilities at the plant at a cost of approximately \$29,000,000.

Mr. Warren added that there is an estimate range of \$70,000,000 to \$83,000,000. He said the “deal points” about which he spoke at a previous meeting continue to be ongoing. Mr. Warren and Mr. Rich explained the recommended \$10,000,000 in improvement costs to the Wastewater Treatment Plant will get the City through the current permit cycle. Mr. Warren said if the \$83,000,000 total cost is converted to a monthly rate, it equates to \$123 per dwelling unit per month. Mr. Warren said there is no straight-forward way to assist low-income households by using the sewer fund. Mr. Rich and Mr. Warren detailed the costs for maintaining the City plant and those of the regional solution.

Council Member Snyder said that requirements that come from the Clean Water Act require significant investments, spread over very few users. Therefore, the rates can increase dramatically which is a difficult situation for Foothill communities. Mr. Warren agreed and provided the Council with the pros and cons of maintaining the City’s plant.

Mr. Warren added that we should, instead of connecting to the regional trunk line, buy capacity in Placer County’s joint pipe at approximately \$4,000,000 and pay Lincoln for the over-sizing that has already been done. He said the City’s share of that would be about \$4,700,000 dollars and would hold a place in a future regional project. Mr. Warren said this would be about and 8 to 10 million dollar cost in over-sizing. He said Federal grant money could come some time in the future. He advised that this action would create a rate increase of about \$12.00 in addition to the existing \$54.50.

Mr. Warren stated that it is his opinion that the regional project is too expensive and there are still too many unknowns. He recommended that the City proceed with onsite improvements and notify the Regional Board either immediately or wait until a week prior to the deadline of June 1st. Council questions followed.

In response to Council Member Hanley's questions, Mr. Warren advised that the pipeline will stay in the public right-of-way to avoid private property issues and possible legal entanglements. He advised that the City would have two places on the Lincoln Sewer Advisory Committee, but that the City of Lincoln would have sole authority to increase future rates. He said that if the Baltimore Ravine Specific Plan is approved, there would be some changes to the City's plant and fees would be collected from those residents to provide for additional capacity required over time.

In response to Council Member Power's questions, Mr. Warren advised that the initial \$53,000,000 cost to connect to Lincoln was a fair price. So, even though they have lessened the cost to the City of Auburn, eventually it will reach the initial cost. He said that in the long run the City of Lincoln will have to be compensated for treating our wastewater. Mr. Rich agreed and said that eventually the City has to purchase "organic capacity" which will reach the same number at some point in time. Mr. Warren assured Ms. Powers that if a decision is made to pursue the regional plant, then "deal points" will have to be finalized. He advised that if we stay local, we have one additional year to comply with a five-year period until there are new mandates. He said there is no way to compute what the costs will be at that time.

In response to Council Member Holmes' questions, Mr. Warren advised that the estimate does not include Federal participation. Director of the Placer County Facilities Services Department Jim Durfee stated that he does not know if there will be any Federal appropriations in the future. Council Member Snyder stated that although the money may not come forth in the time needed, the project can be structured so that if it does come, it can be made reimbursable to the project. He also stated that Senator Boxer's staff advised that she will be emphasizing global warming and California water. Anything that produced new water would be viewed favorably.

Council Member Snyder asked Jim Durfee how the County felt about giving up control of wastewater operations to the City of Lincoln. Mr. Durfee said that the operations agreement would have to be carefully constructed so that all of the users will be treated equally. Mr. Durfee said that "being out of the treatment business" could be very advantageous to the County.

Council Member Snyder stated that he has been on the Board of the Nevada-Placer Wastewater Authority and therefore obtains information on a regular basis. He said it should be noted that the Water Quality Control Board did give the City an extension and will provide a further extension if Auburn decides to regionalize. He said he felt the Board would work with the City if the Council does decide on the regional solution.

Jim Durfee said the County will soon be deciding the same issue. He said, unlike the City, the cost of upgrading County facilities vs. the regional plant reflects a smaller gap in costs between the two choices. He said he does not know at this time what he will recommend to his board.

Valerie Marble, 147 Sacramento Street, asked if closing the plant would result in loss of jobs in the area and if pipeline work would provide more local jobs. Mr. Warren explained that the City's contract with OMI would cease or be greatly reduced. He said the pipeline construction would produce jobs but those would end at project completion.

Council Member Holmes said that in his opinion long-term must be addressed and he is "leaning towards the regional option." He said at this point he is not ready to vote on the options provided and would like more information.

Council Member Snyder asked the staff to refine the third option with "tighter numbers and get to Lincoln's bottom line." He said he would like a document from the City of Lincoln which could assist in the Council's decision. He said more information is needed and asked for continuance of the item.

Council Member Powers agreed with Council Member Snyder.

Council Member Hanley agreed with the staff recommendation. He said he supported the delay of the final design, but has always felt that there are so many variables on the regional idea. He said the Council cannot continue to delay its final decision. He said he does not believe it is possible to obtain firm numbers. He said there will always be the regional option, but to raise the sewer rate so drastically would be difficult. He stated that he does not believe that Federal money will be available. He said that the City must start making improvements to the plant. He said the longer the City delays, the more difficult it is making it to meet the environmental standards. He said he would prefer accepting the staff recommendation.

Mayor Nesbitt said the Regional Sewer Plant is the ultimate direction the City should take. He said he agreed with Council Member Hanley that increasing sewer rates once again would be a huge burden on the citizens

of Auburn. He said he favored a continuance just to see if any more progress can be made, but at some point the City must get started on the improvement of our plant.

By **MOTION** continue the matter to the meeting of April 28, 2008.

MOTION: Snyder

SUBSTITUTE MOTION; by **RESOLUTION 08-44** resume the final design of the Wastewater Treatment Plant Upgrade and direct staff to prepare a letter for the Central Valley Regional Water Quality Control Board and send the letter in 16 days. **MOTION: Hanley/Holmes/Approved 4:1 (No Snyder)**

Council Member Snyder opposed the motion because he wants the staff to bring information to the Council within the next two weeks and did not feel the motion gave proper direction to staff. He said the Council is still open to receiving more information and the motion means that a decision has been made.

Mayor Nesbitt requested, without Council objection, that Item 11 be heard prior to item 10.

11. **Blocker Drive Recommendation**

Community Development Director Will Wong introduced the item. He explained that the Blocker Drive property had originally been purchased in the early 1970's specifically for a site for the corporation yard. He said that in 1997 a portion was purchased by the Redevelopment Agency with housing funds. He described the surrounding property and the city-owned adjacent parcel, donated to the City when Southern Pacific and Union Pacific Railroads merged. He said without that adjacent property the City would not be able to access the 12.6 acre property. He said that one of the considerations was that whenever the property was developed there would be an additional connection to Prospect Hill. He said the General Plan addresses it. He said both Prospect Hill and Hidden Creek residents have always expressed concern about an additional emergency access.

Mr. Wong said that staff feels there is a current need for additional storage area, corporation yard expansion, possibly a fire station north of I-80, and rail station parking. He said there is definitely a wetland area crossing between the corporation yard and the rail parking lot. He said that staff's recommendation is to continue work on the specific plan and continue to research and consolidate the City needs.

Council Member Holmes said that the property has been discussed for co-housing or some other type of housing project. He said staff is now

asking that for more time to study the City's needs. He said over the past five years a number of people have asked that the area be explored for a co-housing project and that has not been considered in the report. He said the property was purchased with funds for housing. He asked what the cost would be to the City to buy the property from the Redevelopment Agency to use it for other purposes. He said he has been asking for the property to be appraised for quite some time.

Mr. Richardson said that staff is being responsive to the Council by coming back with its recommendation. He said it is one of the few pieces of land the City has to expand operations which the City will need if Baltimore Ravine becomes a viable project. He said staff will need Council's direction stating that the City would like the property for residential land in order to move forward with an appraisal. Mr. Holmes said the Baltimore Ravine Specific Plan would allow storage of equipment that is not currently being used. Mr. Holmes said if a price was obtained, we would ask various groups if there were interested in the property. He said it would be a good opportunity to create another exit from Prospect Hill. Mr. Holmes said it has to be appraised if the City buys it from the Redevelopment Agency. Mr. Richardson said an appraisal would be based on ultimate use.

Bob Dasaro, 240 Hidden Creek, asked if the Baltimore Ravine Specific Plan will include any affordable housing. Community Development Director responded that there would be affordable housing and the offer has been made from the developer to the co-housing group to have co-housing within the specific plan. Mayor Nesbitt said since the property was purchased by the Auburn Urban Development Authority, specifically for housing, the proceeds would be used for low-income housing projects throughout the City. Mr. Dasaro said the homeowners are very concerned about what the City will do with the property. He said there is considerable traffic in the area of the train station that should be considered prior to making decisions about the property.

Allison Easton, 250 Hidden Creek Drive, stated that she wanted to clarify that there is a significant difference between co-housing and low-income housing. She said co-housing is an elite environment and certainly not low-income or affordable housing. She said the residents oppose low-income housing and further traffic congestion in the area.

Community Development Wong explained how the property was purchased and how the City could purchase it from the Redevelopment Agency. He said the staff's recommendation is to hold onto the property for possible City storage use without making a commitment for development.

By **MOTION** direct staff to continue working with the developer for the Baltimore Ravine Specific Plan to determine the impact upon City services and finalize steps needed to determine the feasibility of a new corporation yard, fire station with storage area to accommodate safety vehicles, multi-modal rail station future parking needs, and road access to either Merrow Court or Buena Vista/Greenwood Street. **MOTION: Hanley/Powers/ Approved 4:1 (No: Holmes)**

10. **Annual Business Improvement Districts (BID) Report Review and Resolution of Intention for Assessment for FY 2008-2009**

Administrative Manager Joanna Belanger introduced the item. She said the City collects assessments on behalf of the Old Town and Downtown Improvement Districts. She explained the three resolutions proposed to the Council. She said the assessments are for the sole benefit of the businesses within the areas. She said the Old Town Business District is proposing an increase to its assessment fees.

Harvey Roper, President Downtown Business Association, presented his district's report to the Council. He summarized what was accomplished last year and what is proposed for the coming year. Council questions and comments followed.

Ty Rowe, President of Old Town Business Association, presented his district's report to the Council. He stated his district is proposing a nominal rate increase. He said the district is proposing "to try to bridge the gap between Old Town and Downtown" with the increase. He said the monies have been focused on the lower part of town, mostly ignoring the upper part of the business district. He said that part of the business district would be provided with such things as holiday decorations and flowers as displayed in the lower part of town. Additionally, a new business directory will be created to include all of the professional services of the area as well as retail and restaurants. He said other current projects will be continued and new projects and promotions will be undertaken. Council questions and comments followed.

Gary Lord, 30-year business owner in Old Town, advised the Council that there was a billboard for traffic coming from the east about twelve years ago. He said the billboard started out about four to six thousand dollars a year. He said the boards for traffic heading for Reno cost two or three times as much. He said they rented half a board for traffic heading east which started out at eight to nine thousand yearly and increased to twenty-five thousand annually. At that time the Old Town Business District gave up the board because it was no longer affordable. He said it was a very valuable marketing plan. He said they want to assess themselves so that

they can advertise on I-80, continue the beautification program and the preservation of Old Town.

By **RESOLUTION 08-45** appoint the City Manager as the advisory board for the Old Town Business Improvement District and the Downtown Business Improve District and direct him to produce the report required pursuant to Section 36533 of the 1989 Law for Fiscal Year 2008-2009 with respect to the Old Town Business Improvement District. **MOTION: Holmes/Snyder/Approved 5:0**

By **RESOLUTION 08-46** approve the Annual Reports for Fiscal Year 2008-09 Levy of Assessments as filed by the City appointed Advisory Board for the Old Town and Downtown Association. **MOTION: Holmes/Snyder/Approved 5:0**

By **RESOLUTION 08-47** declare the Intention to Levy and Collect Assessments for Fiscal Year 2008-09 in connection with the Old Town Auburn Business Improvement District and the Downtown Business Improvement District, proposing an increase to the assessment in connection with the Old Town Auburn Business Improvement District, and set a public meeting and hearing for June 9, 2008 for a hearing on such levies. **MOTION: Holmes/Snyder/Approved 5:0**

ADJOURNMENT

Mayor Nesbitt, without objection, adjourned the meeting at 9:05 p.m. in memory of Hazel Merz to meeting of the Auburn Urban Development Authority.

Keith Nesbitt, Mayor

Joseph G. R. Labrie, City Clerk